

UNITED STATES CIVIL SERVICE COMMISSION
BUREAU OF RETIREMENT AND INSURANCE
WASHINGTON, D.C. 20415

IN REPLY PLEASE REFER TO

RI:GJP:ig

YOUR REFERENCE

NOV 5 1964

Mr. Thomas Premo
Manager-Group Claims Department
Mutual of Omaha Insurance Company
1666 Connecticut Avenue, N.W.
Washington 9, D.C.

Dear Mr. Premo:

We have reviewed the draft of the policy rider for the GENA Plan submitted by Mutual of Omaha to be effective November 1, 1964. On the attached copy we have made a couple of corrections in addition to the corrections you made in the surgical schedule.

Note that the amendment did not include the 1% increase in premium for the low option (Plan of Insurance No. 1) requested by the Association. The correct amounts are inserted in red pencil. We have also changed the biweekly net premium for self and family to \$8.16 to conform to the original proposed gross rate of \$8.49. We deleted the last sentence of amendment 3 because it would be contrary to the regulation against denying benefits because of preexisting conditions.

In view of the brochure's specific exclusion of take-home drugs from hospital benefits, we suggest that there be a similar exclusion set forth in the contract, specifically in the paragraphs entitled "Miscellaneous Hospital Expense Benefits" on pages 5 and 9.

We also note that there is an item on page 10 of the brochure that is not in accord with the contract, i.e., the benefit of \$25 for anesthetics and their administration applies only to charges of persons other than regular hospital personnel. Charges by a hospital for anesthetics and their administration are payable the same as other hospital expenses and are not subject to the \$25 limitation. No action is necessary to correct this so long as we are in agreement that the contract provision is the correct one and benefits are paid accordingly.

The proposed rider otherwise satisfactorily sets forth the benefit changes in the plan for the period beginning November 1, 1964. If Mutual is agreeable to our suggestions, the rider may be issued in final form. We would appreciate twenty copies for our internal use.

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- 2 -

In the original proposal letter from the Association, it was indicated that Mutual of Omaha wished to increase the allowance for administrative expenses of the underwriter from 2.0% to 2.5%. In view of the fact that 18% increase in premium on the high option will result in an equivalent increase in the dollar amount of the allowance for the underwriter's administrative expense, we wonder whether Mutual of Omaha still sees a necessity for the .5% increase. If so, we would appreciate a statement of justification for increasing the allowance more than what will result from the 18% increase in premium.

Sincerely yours,

Solomon Pepperman, Chief
Contracts & Instructions Division

Enclosure

AMENDMENT RIDER

This rider is attached to and made a part of Master Policy No. GMG-1799 and is subject to all provisions of the policy which are not in conflict with the provisions of this rider.

In consideration of the premium therefor, the following amendments are hereby agreed to effective November 1, 1964:

1. The Net Biweekly Premium for Benefits Described in Plan of Insurance No. II shown in General Provision 7 on page 3 is amended to read as follows:

Net Biweekly Premium for Benefits Described in Plan of Insurance No. II

Protected person.....\$2.93

Protected person and one
or more dependents.....\$8.15

No. II
\$1.43
3.94

2. Exclusion (d) of General Provision 12 on page 4 is hereby deleted.
3. The Daily Room Limit shown in Plan of Insurance No. II on page 9 is amended to read:

Daily Room Limit.....\$25.00

~~This amendment shall apply only to a period of hospital confinement commencing on or after the effective date of this rider.~~

4. The surgical procedures whose identifying symbols are shown below are hereby added to the SURGERY AND ANESTHESIA Schedule in Part B. of Plan of Insurance No. II on the pages indicated and any surgical procedure already in the Schedule with a corresponding identifying symbol is hereby deleted:

Page	Identifying Symbol	Procedure	Relative Value Units	
			Surg.	Anes.
11	0192	Malignant tumors (small).....	12.5	
11	0193	Malignant tumors (large).....	12.5	
11	0252	Wounds, extensive, suture of recent wounds requiring closure (not plastic repair)		
		3 to 5 1/2 sutures.....	3.0	
		5 to 10 1/2 sutures.....	5.0	
		10 to 20 1/2 sutures.....	7.0	
		20 sutures or over.....	10.0	
14	0780	Humerus, surgical neck, simple, requiring manipulation with general anesthesia.....	30.0	6.0
15	0798	Radius, head, simple, closed reduction.....	15.0	4.0
15	0804	Radius, shaft, compound.....	23.0	4.0
15	0820	Radius and ulna, simple, closed reduction.....	20.0	
15	0842	Metacarpal, one, simple, closed reduction.....	8.0	4.0
15	0852	Phalanx or phalanges, one finger, or thumb, simple, closed reduction.....	8.0	4.0
15	0853	one finger, or thumb, compound.....	12.0	4.0
15	0881	Femur, shaft, including supracondylar, simple, closed reduction.....	40.0	6.0
15	0901	Tibia, shaft, simple, closed reduction.....	23.0	
16	0926	Tibia and fibula, shafts, simple, closed reduction.....	30.0	
16	0927	compound with general anesthesia.....	40.0	7.0
16	0933	Ankle, bimalleolar (including Pott's) simple, closed reduction.....	23.0	
16	0934	compound with general anesthesia.....	35.0	6.0

Page	Identifying Symbol	Procedures	Relative Value Units	
			<u>Surg.</u>	<u>Anes.</u>
21	*1915	Excision of nasal polyp.....	5.0	
24	2445	Blood transfusion, indirect method.....	6.25	
24	2448	Blood transfusion, direct method.....	6.25	
32	4122	Circumcision, newborn (within 14 days).....	3.75	
35	4644	Local excision of lesion of cervix in con- junction with dilation and curettage.....	15.0	4.0
35	4646	Dilation and curettage of uterus (independ- ent procedure), under general anesthesia.....	15.0	4.0
35	4647	for removal of uterine polyps.....	15.0	4.0

This amendment shall apply only to a surgical procedure performed on or after the effective date of this rider.

5. The number of Relative Value Units for delivery of child or children referred to in the section captioned OBSTETRICAL BENEFITS in Part B. of Plan of Insurance No. II, on page 44, is increased from 16 to 20. This increase shall apply only to delivery occurring on or after the effective date of this rider.

MUTUAL OF OMAHA INSURANCE COMPANY

President

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